

## Capital Funded Positions

Designing and implementing capital projects requires specialized labor (FTE positions). In most instances, the personal services (PS) costs associated with these positions are charged to the general fund. In this way, the District does not pay labor charges with long-term general obligation financing (the predominant method of financing capital projects).

However, there are certain circumstances, which permit agencies to charge positions against capital projects. For example, the Department of Public Works – Transportation Division is allowed to hire specific types of construction engineers and project managers (who work on Highway Trust Fund projects) and charge them against a capital project. Funding for these types of positions comes out of a project budget under Phase C – Project Management.

The District is required to submit a quarterly report to Congress showing the number and amount of each FTE that is charged to the capital fund by agency and by project. As such, the laws and regulations associated with these positions are strictly monitored and enforced.

Since the Capital Fund (300 and 350) contains no positions, Personal Services (PS) costs for capital projects are budgeted as Intra-District transactions. The Intra-District budget represents obligation authority for the purchasing agency and a revenue source for the selling agency. As personal services are required, the buying agency prepares an intra-District purchase order in consultation with the selling agency. A copy of the purchase order is sent to the seller. The seller, in turn, sets up a job referencing the purchase order identification number. Personal Service costs incurred by capital projects are collected and expensed monthly by the service supplier. The General Fund is, in effect, reimbursed by the Capital Projects Fund for the services incurred.

The SOAR system and the CAPPs system will eliminate the need to intra-District capital funded position transactions. Beginning in FY 2001, capital funded positions will be budgeted in the capital fund but charged directly to the operating fund. In this way, the SOAR system eliminates the administrative burden of intra-Districting the funds.

The number of capital funded positions reached a high of 1,156 in FY 1992. Over the past few years, the District focused on reducing the number of positions charged to the Capital Program. However, actual FY 1998 capital funded positions were higher (by 36) than projected (332 vs. 296). This was due to an agreement between the Army Corps of Engineers and the D.C. Public Schools (DCPS) to implement the DCPS capital program. This relationship reduced the number of capital funded positions that DCPS required. OPM was established in 1998 to provide an efficient way of managing the capital improvement and construction program for District government facilities. D.C. Law 12-175 Office of Property Management Establishment Act of 1998 controls its functions. Its goal is to provide quality services to user agencies without being costly to taxpayers and stakeholders.

As a result of recent increases in capital investments, the number of capital funded positions have increased by 7 or 2% over FY 1999 total number of positions. The table below shows the increases in capital funded positions from FY 1999 to FY 2000, by agency.

Agency	FY 1999	FY 2000	Increase or Decrease
OCFO	22	23	1
DCPS	12	11	(1)
DPW	220	257	37
OPM	42	42	0
<b>Total</b>	<b>296</b>	<b>333</b>	<b>37</b>

The chart below shows the District's progress in reducing capital funded positions since 1992. If the average capital funded position cost \$37,000, the District has reduced capital funded expenditures by approximately \$33 million since FY 1992.

### NUMBER OF CAPITAL FUNDED POSITIONS FROM FY 1991 TO FY 2000

